

# EXHIBIT 25

**In the Matter of:**

CFPB v. Navient Corporation, et al.

*June 8, 2018*  
*Patricia Peterson*

**Condensed Transcript with Word Index**



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1 A. I don't know if there were specific to this  
2 letter at this point in time, but over time, there has  
3 been a review. I believe we've talked a little bit  
4 about a company coming in and helping us look at how to  
5 make our letters more -- simplify our letters, and that  
6 was a process of looking at where we could make the  
7 messaging more clear to the customers. So there's that  
8 process that's been in place.

9 We do take customer feedback, so if things  
10 aren't happening, we could modify letters. I think what  
11 I was describing earlier the different ways that we  
12 could get requests, and one of those requests could come  
13 through because we feel like we needed to clarify  
14 something within the letter.

15 **Q. What was the outside company that did testing of**  
16 **different letters?**

17 A. Seigal & Gale was the consultant that we used to  
18 help us rewrite our letters and put them in a new  
19 format.

20 **Q. Any other outside entities that did that work?**

21 A. Not that I'm aware of.

22 **Q. Did the company look at recertification rates to**  
23 **make any sort of determination as to whether this letter**  
24 **was effective?**

25 A. We look at -- we have looked at recertification

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1 rates, and we have adjusted processes to try and make  
2 it -- those recertification rates go up, but one thing  
3 about -- that we've learned in every -- that the data  
4 continues to point that not every customer wants to  
5 renew. So even though we may see recertification rates  
6 maybe are low in some standards, we wouldn't necessarily  
7 say that all of those customers may want to recertify.

8 So I don't know that we are in any position to  
9 be able to say what's a good number or not, because of  
10 the individual factors that go into whether a customer  
11 chooses to recertify or not.

12 **Q. And when you say the data show that certain**  
13 **customers don't want to renew or recertify, what data**  
14 **are you referring to?**

15 A. Well, holistically, we look at the whole process  
16 of recertification, or if a customer that's been in an  
17 income-driven repayment program, that is still in an  
18 income-driven repayment program 12, 18, 24, three years  
19 later, and what we find in that data is that the number  
20 is not the same as what it was that started. So factors  
21 change with that, that we don't have information on to  
22 say why the customer chooses not to recertify. Even  
23 though they have been given correspondence and given the  
24 opportunities and the outreach, they choose not to,  
25 maybe because they don't like the program for some

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1 reason, or maybe because they no longer qualify for the  
2 program.

3 **Q. So, just so I understand, when a consumer**  
4 **doesn't renew, does the company have some way of telling**  
5 **whether the consumer has made an affirmative choice that**  
6 **they don't want to renew, they don't want to be in an**  
7 **IBR program -- or IDR program anymore, versus them just**  
8 **not understanding the steps that they have to take to**  
9 **renew, or not wanting to complete those steps?**

10 A. I don't know how we would know that at this  
11 point, because -- so no, I don't know that we have  
12 anything that would point to which of those it would be.

13 **Q. Has Navient Solutions ever tried to test whether**  
14 **recertification rates go up or down based on how a**  
15 **recertification letter is drafted?**

16 A. We have made many changes over the period here  
17 with the letters. We've inserted new letters into the  
18 mix. We have changed and simplified the letter based on  
19 some Seigal & Gale and other processes. We've done  
20 outreach. The Department of Education has tested  
21 different outreach methods. We've, you know, inserted  
22 email communication into the mix that's not necessarily  
23 required.

24 So there has been lots of things to test that to  
25 see if we can increase the certification --

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1 recertification rate. And we, inclusive of things the  
2 Department of Education is doing, press, website, you  
3 know, notifications to customers.

4 **Q. Why did the company retain Seigal & Gail?**

5 A. We originally retained Seigal & Gail as part of  
6 the company split, when we were splitting from Sallie  
7 Mae, to create some communication that would make it  
8 very clear to our customers what that meant to them. We  
9 liked what they did with that process and we decided to  
10 keep them and to have them help us simplify our  
11 correspondence. And so that's the engagement that we  
12 did with them after the split.

13 **Q. Was there any particular reason the company**  
14 **determined that it needed an outside entity to review**  
15 **its correspondence?**

16 MR. PAIKIN: Object to form.

17 THE WITNESS: I don't know the background on  
18 what went into that decision, other than there's  
19 hundreds of letters, and so looking at an outside --  
20 much of the same reason we would bring consultants in  
21 for other processes, this is another outsider that's an  
22 expert in customer correspondence to help us figure out  
23 the best way to communicate with our customers.

24 BY MR. JABBOUR:

25 **Q. Do you know if the Department of Education ever**

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1 get that information.

2 BY MR. JABBOUR:

3 **Q. For what other types of correspondence would the**  
 4 **general wrapper or generic wrapper be used?**

5 A. This generic wrapper was our -- was used almost  
 6 for every email until approximately -- we started making  
 7 changes to wrappers in the 20 -- roughly 2014, 2015  
 8 period. Prior to that time, we actually had policy that  
 9 did not allow us to put information into the body of our  
 10 email, and that was based off of privacy. So we were  
 11 concerned our information security was trying to protect  
 12 the privacy of our customers by not putting too much  
 13 private information into the body of the email in case  
 14 that email doesn't belong to our customer. So that  
 15 policy was not changed until the 2014, 2015 timeline,  
 16 and then at that point in time, we started updating our  
 17 email wrappers to include more specific information.

18 **Q. Do you know of any specific wrapper that was**  
 19 **used prior to 2014?**

20 A. I don't -- I don't have that memorized at all.  
 21 I'm sorry, I don't know.

22 **Q. Rather than giving a specific example, do you**  
 23 **know if a specific wrapper was ever used prior to 2014?**

24 A. I don't recall the first dates that we changed  
 25 letters, and I don't recall which was our first letter

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1 to get a more specific wrapper.

2 **Q. And in 2014, why was it determined that the**  
 3 **privacy issue was no longer there, or that the specific**  
 4 **wrappers could be drafted in a way to avoid the privacy**  
 5 **issue?**

6 MR. PAIKIN: Object to form.

7 THE WITNESS: We're in a constant state of  
 8 trying to figure out the best balance between customer  
 9 privacy and customer experience, and so with multiple  
 10 conversations with our information security team, a new  
 11 policy was drafted that would get them comfortable with  
 12 putting a certain number of elements and then limited  
 13 type of elements into the body of the email. So that  
 14 was worked through with our information security team at  
 15 that point, and I think it's just as technology has  
 16 changed and more and more people are using this form of  
 17 communication. Another factor that was brought in is  
 18 the -- our email addresses have been provided by  
 19 customers, whether that's explicitly opted in to allow  
 20 us to send them communication, or provided that  
 21 information to us in their promissory notes.

22 BY MR. JABBOUR:

23 **Q. Has Navient Solutions ever tested the**  
 24 **effectiveness of either of the email wrappers that's**  
 25 **depicted on Exhibit 7?**

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1 A. As far as a testing control that was put in  
 2 place, I don't believe we did only a partial test. We  
 3 put wrappers in place at the same time we also made  
 4 other changes, and there were a lot of other  
 5 communications that were going out to customers. So I  
 6 don't know that there is 100 percent confidence that a  
 7 new wrapper or the change in wrapper is the single cause  
 8 of an increase in recertification rates, because many  
 9 other things were going on at the same time.

10 **Q. Okay, so the company did see an increase in**  
 11 **recertification rates around the time that the specific**  
 12 **wrapper on Exhibit 7 was used. Is that right?**

13 MR. PAIKIN: Object to form.

14 THE WITNESS: There was an increase, but again,  
 15 this wasn't the only change that was made. At the same  
 16 time, we were also -- the body of the letter itself was  
 17 changed. We also had the Department of Education was  
 18 sending out communication to customers directly about  
 19 their recertification, and there was a lot of  
 20 communication being sent to customers through, you know,  
 21 just general outreach, meaning in the media, and  
 22 different Department of Education notifications to let  
 23 customers know.

24 So it was not the single only event that was  
 25 happening at the point in time we put this in place.

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1 BY MR. JABBOUR:

2 **Q. Do you know the department -- the timing of the**  
 3 **Department of Education notifications that you're**  
 4 **referring to?**

5 A. This -- this was in the early 2015, early to  
 6 mid-2015.

7 **Q. Do you know if the Department of Education**  
 8 **notifications were sent to all borrowers at the same**  
 9 **time, or was it tied to the borrower's recertification**  
 10 **deadline?**

11 MR. PAIKIN: Object to form and foundation.  
 12 It's also really not within the scope of the topics  
 13 she's been noticed on. But if you know, you can  
 14 certainly answer.

15 THE WITNESS: I don't know.

16 BY MR. JABBOUR:

17 **Q. You referenced earlier a conversation with the**  
 18 **information security team within Navient Solutions**  
 19 **concerning the privacy issues that eventually resulted**  
 20 **in the company's ability to use specific wrappers. What**  
 21 **prompted that conversation?**

22 A. I don't know what prompted specifically as it  
 23 relates to the wrapper conversation. I know that we  
 24 have been testing it out in some of our collections  
 25 areas, email as a way to communicate to customers. So

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1 in that may or may not have been there the whole time.

2 **Q. Okay. So compliance is one aspect of the**  
3 **progressive disciplinary plan. Is that right?**

4 A. Yes.

5 **Q. And the other aspect is performance. Is that**  
6 **right?**

7 A. Yes.

8 **Q. At least in this document, there are two**  
9 **performance criteria, average handle of time and CSAT.**  
10 **Is that right?**

11 A. In this document, yes.

12 **Q. What does CSAT stand for?**

13 A. Customer satisfaction.

14 **Q. And in parentheses after CSAT, at the top of the**  
15 **page, it says, "Combination of agent satisfaction plus**  
16 **issue resolution." Can you describe to me what agent**  
17 **satisfaction means?**

18 A. I am drawing a blank.

19 **Q. What does issue resolution mean?**

20 A. First call resolution. So how well we did at  
21 answering the customer's question the first time that  
22 they called. Agent satisfaction, the highest level, is  
23 how well we did at -- the customer has an option to do a  
24 survey, so that's one of the components that's in there  
25 as well.

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1 **Q. How is issue resolution determined?**

2 A. Whether the customer called back again in the  
3 next five days. That may have varied over time, but  
4 generally it's been about five days that they look at,  
5 that window.

6 **Q. How is -- if the customer calls back on a**  
7 **different issue within five days, is that still tracked**  
8 **as an unsatisfactory issue resolution? In other words,**  
9 **is the customer calling back within five days**  
10 **automatically an indicator that the issue wasn't**  
11 **resolved?**

12 A. For this calculation, yes, unless the customer  
13 just stayed within the IDR and didn't come to a  
14 representative, then it didn't count against them.

15 **Q. Technologically, how is that determined? Is**  
16 **there just something automatically within the computer**  
17 **system that flags if a customer reaches a representative**  
18 **twice within a five-day period?**

19 A. It's a report that's looking at the customer,  
20 each of the customers that we talk to -- or each agent  
21 talked to and see if they called back again in five  
22 days.

23 **Q. When you say it's a report, what do you mean by**  
24 **that? Is it a document that's created? Is it a**  
25 **notation in the CLASS system?**

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1 A. Each time the customer does call in, there's a  
2 notation in the CLASS system. I don't know if they use  
3 that notation or if they use like call -- call --  
4 inbound call reporting to determine it. I'm not sure  
5 the source that our reporting team uses to get to that.

6 **Q. Has the time period by which issue resolution is**  
7 **judged always been five days?**

8 A. I am not sure. It's generally five days, but I  
9 don't know how much it's varied over time.

10 **Q. And you indicated agent satisfaction is based on**  
11 **a survey that customers can complete at the end of a**  
12 **call. Is that right?**

13 A. Yes.

14 **Q. Is that a mandatory survey or an optional**  
15 **survey?**

16 A. Optional survey. Meaning the customer can  
17 choose not to complete it.

18 **Q. In terms of average handle time, what types of**  
19 **calls are used to determine the average? Is it all**  
20 **calls or is it only certain types of calls?**

21 A. Those are all calls that were handled by the  
22 customers as a part of the customer service center.

23 **Q. If a customer service representative hangs up on**  
24 **a customer very quickly into the call, would that call**  
25 **be factored into their average handle time?**

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1 A. Yes. That would also be one of those violations  
2 if we saw it in our monitoring session that would skip  
3 to progressive disciplinary action as well.

4 **Q. So that would be an extremely high risk**  
5 **violation?**

6 A. Yes.

7 **Q. Is the compliance review also looking for**  
8 **instances in which a customer service representative**  
9 **transfers a call in order to keep their call time short,**  
10 **when they could have actually resolved the issue without**  
11 **transferring the call?**

12 MR. PAIKIN: Object to form.

13 THE WITNESS: One of the items that they're  
14 looking for on call monitoring is appropriate handling  
15 of the call. So that example would have been caught in  
16 call monitoring.

17 BY MR. JABBOUR:

18 **Q. How many calls does an average customer service**  
19 **center employee handle per month?**

20 A. I don't know.

21 **Q. Do you know if it's more than 500?**

22 A. I don't know.

23 **Q. Who determines what an appropriate average**  
24 **handle time is?**

25 A. The lead of the customer service area, which I

<p style="text-align: right;">125</p> <p>1 (Peterson Exhibit Number 10 was marked for 2 identification.) 3 BY MR. JABBOUR: 4 <b>Q. You've been handed Exhibit 10, which is a 5 document Bates numbered NSI-019-0000112 through 197. 6 And this is a long document, so I will say I'm going to 7 be asking you about what begins at page 136, which is 8 Exhibit B.</b> 9 MR. PAIKIN: So should she -- you're only going 10 to ask questions about Exhibit B? I'm just trying to 11 figure out what she should look at. 12 MR. JABBOUR: Yes. 13 MR. PAIKIN: So it looks like 137 to 149. 14 THE WITNESS: I'm ready. 15 MR. PAIKIN: There's a front letter you might 16 just read. 17 THE WITNESS: Okay. 18 MR. PAIKIN: Where is Exhibit B referenced in 19 the front? Just to put it kind of in context. 20 MR. JABBOUR: Sure. I don't believe there's an 21 actual reference to Exhibit B, but on page 117 of the 22 document -- I'm sorry, page 115 of the document, there 23 is a reference to the Bates numbers that are in Exhibit 24 B, and actually as I said that, I now see there is a 25 reference to Exhibit B on page 115 under Performance</p>	<p style="text-align: right;">127</p> <p>1 <b>right?</b> 2 MR. PAIKIN: Object to form. 3 THE WITNESS: Average handle time, yeah, there 4 is a minimum listed here, yes. 5 BY MR. JABBOUR: 6 <b>Q. If you're below that minimum, does the DQ mean 7 you're disqualified from getting any incentive 8 compensation whatsoever?</b> 9 A. Yes. 10 <b>Q. Under the Potential payout &amp; Costs, it indicates 11 that the targeted average payout is a certain amount 12 with a 60 percent participation rate. What does a 60 13 percent participation rate mean? Is that out of the 14 universe of all customer service specialists, 60 percent 15 of them will get incentive compensation of some sort?</b> 16 A. Incentive compensation at Navient is intended to 17 be a supplement to their annual salary, and so we do not 18 budget or plan that 100 percent of our employees will 19 qualify for an incentive compensation plan. So what 20 we're saying in this bullet is, we have -- we assume or 21 budgeted towards 60 percent of our employees will 22 qualify for the incentive. 23 <b>Q. On page 138, under Potential Benefits, it reads, 24 "Across the entire ED call center, each 1% increase in 25 FCR results in a 1% reduction in call volume and a</b></p>
<p style="text-align: right;">126</p> <p>1 Measures &amp; Goals. The first time a Bates number is 2 referenced, there's also reference to Exhibit B. 3 MR. PAIKIN: Okay, so maybe just give her -- 4 just let her look at the letter. I'm just trying to 5 expedite this. 6 THE WITNESS: Okay. 7 BY MR. JABBOUR: 8 <b>Q. Looking at page 137, this is a document that 9 describes incentive compensation for customer service 10 specialists in 2013. Is that right?</b> 11 A. Yes, that's what the document says. 12 MADAM REPORTER: Could you repeat that? 13 THE WITNESS: Yes, that's what the document 14 says. Sorry. 15 BY MR. JABBOUR: 16 <b>Q. Average handle call time is a component of the 17 incentive compensation for customer service specialists 18 in 2013. Is that right?</b> 19 A. Yes. 20 <b>Q. Under Minimum Monthly Plan Qualifiers, it 21 indicates that you need an average handle call time if 22 you're a specialist I -- I'm sorry, let me rephrase. 23 For both specialists I and specialists II, your 24 average handle call time has to be below a certain 25 number in order to avoid the DQ category. Is that</b></p>	<p style="text-align: right;">128</p> <p>1 <b>\$100,000 reduction in annual costs (\$4 cost per call. 2 Each 5 seconds of reduced average -- AHT results in a 1% 3 improvement in productivity and a \$100,000 reduction in 4 annual costs."</b> 5 <b>This reference to the entire ED call center, is 6 that the ED call center within Navient, or some sort of 7 Department of Education metric?</b> 8 A. This document is only for a Navient call center 9 employee. 10 <b>Q. Do you know where these numbers are derived from 11 in terms of how much of a reduction or how much of a 12 change in FCR and AHT changes annual costs to the 13 company?</b> 14 A. I don't -- didn't do the math to calculate it 15 out, but it would be our total number of employees that 16 we have, times the reduction in -- from our average talk 17 time, times their hourly rate, times the number of calls 18 that they are going to take, an average. 19 <b>Q. If you didn't do the analysis, how do you know 20 that is how that's calculated?</b> 21 A. Because I've had conversations on how it was 22 calculated. 23 <b>Q. Okay. And who did you have those conversations 24 with?</b> 25 A. With Brian Lanham.</p>

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1 **Q. Specifically if there were a flow chart about**  
 2 **how a customer service representative is supposed to**  
 3 **present repayment options to borrowers, would that be**  
 4 **the type of document that would be on the KS site?**

5 A. Yes, but I wouldn't -- it's unlikely that it's a  
 6 document that's a standalone document. There's  
 7 typically some other content that's around that  
 8 particular document or that flow chart. So additional  
 9 facts that they should consider or it's a reference tool  
 10 that they can look at to understand high-level what  
 11 another process is doing.

12 **Q. Are there any specific scripts that a customer**  
 13 **service center representative is supposed to use when**  
 14 **speaking with borrowers about repayment options?**

15 A. I don't think of them as scripts, I mean, we  
 16 have some very specific scripts that need to be read  
 17 when a customer is enrolling in a specific program, like  
 18 a forbearance as an example, we've got the specific  
 19 terms and conditions, but we don't typically script our  
 20 agents on everything that they should say, we -- our  
 21 philosophy is to give them guidance on enough  
 22 information that that leads them to a conversation with  
 23 the customer.

24 We do provide a -- a good level of understanding  
 25 so that they know which option they should be getting

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1 more information to the customer about so that they know  
 2 whether that option is right for the customer, but I  
 3 wouldn't consider our training material or our  
 4 expectations that anything is scripted.

5 **Q. Who leads the training department?**

6 A. This -- for customer service right now, it's  
 7 Patty Novrocki.

8 **Q. And how long has she been in that role?**

9 A. About three years.

10 **Q. Who was in that role before her?**

11 A. Debra Walsh.

12 **Q. Is Ms. Walsh still with the company?**

13 A. No.

14 **Q. And how long was Ms. Walsh in that role?**

15 A. Five -- four more years.

16 (Peterson Exhibit Number 11 was marked for  
 17 identification.)

18 BY MR. JABBOUR:

19 **Q. You have been handed Exhibit 11, which is Bates**  
 20 **numbered NAV-00686505 through 08. And please let me**  
 21 **know when you're ready to discuss it.**

22 A. (Document review.)

23 I'm ready.

24 **Q. Okay. Looking at the page that begins -- or I'm**  
 25 **sorry, the page that ends in Bates number 07 and 08, I'm**

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1 **not asking you if this specific document was on the KS**  
 2 **site, but is a flow chart similar -- is this a type of**  
 3 **document that might appear on the KnowledgeShare site?**

4 A. Yes. This specific document or a document --  
 5 may not be this exact one as it's sitting here, because  
 6 it was a draft, is in KnowledgeShare as a document -- as  
 7 a reference for our customer service agents to use, but  
 8 it's a part of a -- another set of information that's  
 9 available to the customer -- or to the customer service  
 10 agent in KS.

11 **Q. I just want to make sure I understood what you**  
 12 **said. Is it a standalone document as well as a document**  
 13 **that's referenced by other documents?**

14 A. This particular document is an embedded document  
 15 within a KnowledgeShare document. So a customer service  
 16 agent would get general information and then to get to  
 17 this document, they are clicking on the embedded  
 18 document to open this one up.

19 **Q. Is this a document that would have been -- that**  
 20 **was drafted by the training department?**

21 A. Based on what Kevin has put in his email, yes,  
 22 and based off what the typical process is, I assume yes.

23 **Q. When a document is added to the KS site, did you**  
 24 **indicate that customer service representatives are**  
 25 **informed that the document has been added, or is it just**

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1 **something that they'll now be able to search for and**  
 2 **find?**

3 A. We have a process that sends them a email  
 4 communication that there's a new document available.

5 **Q. Is the new document contained within that email**  
 6 **communication, or they have to go to the KS site to look**  
 7 **at what that new document is?**

8 A. I believe it gives them the -- each document has  
 9 a KS document number. I believe it gives that, I don't  
 10 recall whether it also allows them to link on it -- you  
 11 know, click on it to get the document to open. I don't  
 12 recall that part.

13 **Q. Are customer service representatives expected to**  
 14 **read every new document that they get an email about?**

15 A. Yes.

16 **Q. Is there any testing that's done on the**  
 17 **documents to make sure that they read them?**

18 A. The quality monitoring that happens uses  
 19 documents from KS to determine whether they're following  
 20 the procedures. So in a roundabout way, that's the  
 21 testing, because if they don't follow them, then they  
 22 will get a bad quality score. That's not to say that  
 23 some material couldn't be tested as well, but generally  
 24 speaking, that's the way that we ensure that they follow  
 25 it.

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**tool. If a customer service representative receives a call from a borrower who says that they cannot make any payment on their federal student loan, is it correct that this reference tool indicates that they should go down the "no" path at the first decision point?**

A. I don't -- our representatives are not using this as a true flow of if they say yes, then you should automatically go to the top or the bottom or the left or the right. These are just things that they should consider as they're talking to the customer trying to figure out what the right repayment option is for the customer. When we ask them if they can afford to make any sort of payment, we're trying to understand, are you in a position to pay month over month, or do you need some sort of a relief that is getting you a short-term -- through a short-term bridge.

**Q. So this reference tool is not intended to be taken literally by customer service representatives?**

A. It is purely a guide that they can use as a reference to try and get the right questions to help the -- guide the conversation with the customer.

**Q. Okay. If I'm an agent, and I'm trying to be guided, and I literally ask that first question to the borrower, can the borrower pay some portion, and they tell me no, would it be wrong for me then to just**

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**continue to follow the flow chart as is prescribed here?**

A. You -- if you recall, we're not scripted at all for the customers, so by going to that next step, it's almost like we're scripting them, but that's not the way the conversations go. What that does is it opens to the next question you should be thinking about is a deferment a better option for this customer, is it a forbearance that we should be looking at.

So that's the intention of the "no" down here is to get them thinking about what other questions they need to ask to understand where they should go with the next set of questions.

Typically, they're -- if they can't afford to make any sort of payment, then they're in a short-term condition that's causing that, and so a deferment or forbearance is typically that right solution for them.

**Q. What if the borrower indicates that they can't afford to make any payment and they have been unemployed for 13 months, this reference tool still guides the customer service representative to the bottom half. Is that right?**

MR. PAIKIN: Object to form.

THE WITNESS: That's where we would rely on what the customer is telling us, so they may have been unemployed for 13 months because they've been out on

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maternity leave and now they're going back to look for a job. So then in that case, it could be considered still a short-term situation, and the bottom is the appropriate. If it's unemployment and they think that they are not going to be getting a job any longer, then they would know that they should look at an income-based repayment or another longer term solution.

BY MR. JABBOUR:

**Q. Okay. Why does this reference tool depict it as a binary choice that if a borrower can't pay some portion, they should be guided towards deferment or forbearance, rather than what you are describing?**

A. I think -- KS, where this is just an embedded document within KS, is this particular tool or this particular document, is a part of the section if a borrower is having difficulty making payments. So within that section, it also talks about counseling the customer on their situation, and this is just 100 percent intended to be a guide.

There's information on the second page of this document that explains the pros and cons of each of the repayment options that our agents are also taught to understand. I mean, we're very clear in forbearance that it's not -- it's the last choice. We've got that in the red in the bottom of the first page that

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forbearance is not the right solution, we should always try and find a different solution before forbearance, but in some cases, forbearance is the only option, and as we know for repayment programs, it is required for us to put them in another program.

**Q. Okay. So this may have been embedded, or it may be embedded in a different document on KnowledgeShare, but when Ms. Grassi transmitted it to the Department of Education, she characterized it as "our call center guide that is used to walk borrowers through the process of understanding their options." And she said, "We follow this and help them understand choice between moving toward forbearance as you will see."**

**So she characterized it as the guide, or our guide, and she didn't characterize it as a document that's to be read in the context of other documents on the KnowledgeShare site. Do you disagree with how she characterized it?**

MR. PAIKIN: Object to form.

THE WITNESS: No, because that's actually how I characterized it when I started talking about that this is a guide. This is guiding the conversation. If you, you know, read the things that are off to the left, these are all meant to be things that the agents -- just a reminder, hey, make sure you understand how long the



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**Q. So why is the information presented in this format, if this is not how they would ever use it?**

A. High level giving the -- giving a reference of what the end result of the pop pad may look like, depending on what the questions are. I mean, the one thing at the very start of this is if a customer can make a payment, that's the number one best choice we will 100 percent of the time go to. We want the customer to be making their payment. So that's why it's very first in our questions.

If they can continue to make their payments, then we don't need to put them on another program, because that's going to be less expensive in the end for the customer to pay their loan in 10 years versus paying it in 15 or 20 years, or maybe paying more interest because we went down a graduated program. So what we're trying to do with our pop pad and with our process is to find the most economical solution for the customer that meets their condition that they have.

And so this tool that's listed here is really a reference guide. The pop pad does all of that. There's questions in the pop pad that even make sure that we're in compliance with our state law disclosures that we need to read and making sure that we're actually doing our scripts that we need to do.

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So that is the document that the agents are using every day because it's an all-encompassing flow that they need to follow. But again, every one of these is based off of how the customer answers the question, and trying to find the least expensive overall program for the customer.

**Q. Was it always the case that the CRS employee was simply supposed to follow the -- the flow on their computer screen, or was it ever the case that they were supposed to be using this printed version?**

A. They've had this pop pad in place since 2013. Prior to that, they would have leveraged the same KS document that we reviewed earlier that the CSC agents read.

**Q. Which document are you referring to?**

A. The document from Exhibit 13, or the equivalent of that is what was in place prior to the pop pad coming into place in 2013.

**Q. And so this printed document that's Exhibit 14 came into existence at the same time that the pop pad came into existence?**

MR. PAIKIN: Object to form.

THE WITNESS: I don't know when specifically this -- if they were at the same time or if this was created after the pop pad was. I'm not sure.

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BY MR. JABBOUR:

**Q. Okay. This document would not have existed before the pop pad?**

MR. PAIKIN: Object to form.

THE WITNESS: Not that I'm aware of.

BY MR. JABBOUR:

**Q. Who is the intended audience for this chart, if it's not the employees in CRS, who should instead be relying on what's on their computer screen?**

MR. PAIKIN: Object to form and foundation.

THE WITNESS: I don't know that there is a -- this is a reference within the KS document, because the pop pad is not something that you can visually depict to a customer service or a CRS agent. The pop pad, you have to have a customer account pulled up in order to get the pop pad to work, so this just gives them a very high-level understanding of what they are going to experience when they use the pop pad.

BY MR. JABBOUR:

**Q. Is this intended to be an accurate description of how the questions flow in the pop pad?**

MR. PAIKIN: Objection, asked and answered.

THE WITNESS: This is a general depiction of what could happen depending on what the situation is and how the customer answers it, because there are many

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questions that are not depicted on here.

BY MR. JABBOUR:

**Q. There are questions on the pop pad that are not depicted on here?**

A. Correct.

**Q. I would like to shift and I want your -- I want to talk about the different servicing platforms and databases that Navient Solutions uses. And I know we've discussed some of them here today, but I want to understand the time periods in which they were used and the types of loans for which they were used, or the types of data they store.**

**So let's start with FDR. During what time period was that used and how would you describe what FDR is?**

A. FDR is our primary servicing system for our private student loans. I believe it began in 2013. It may have had some loans on there prior to 2013, but our conversion, I believe, was in July of 2013.

**Q. What is the CLASS system?**

A. It's our servicing system of record for our federal student loans. There's two versions of that system, one for our Department of Education service loans and one for the rest of our federal student loans.

**Q. And how long has the CLASS system been used?**

1 DISTRICT OF COLUMBIA, to wit:

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3 I, Sally Jo Quade, CERT, the officer before whom  
4 the foregoing deposition was taken, do hereby certify  
5 that the within-named witness personally appeared before  
me at the time and place herein set out, and after  
having been duly sworn by me, according to law, was  
examined by counsel.

6

7 I further certify that the examination was  
recorded stenographically by me and this transcript is a  
true record of the proceedings.

8

9 I further certify that I am not of counsel to  
any of the parties, nor an employee of counsel, nor  
related to any of the parties, nor in any way interested  
in the outcome of this action.

10

11 As witness my hand and notarial seal this 22th  
day of June, 2018.

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Sally Jo Quade, CERT  
Notary Public